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EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2007-1017-PWS-E **TCEQ ID:** RN101380889 **CASE NO.:** 33960
RESPONDENT NAME: Monarch Utilities I L.P.

ORDER TYPE:		
<input type="checkbox"/> 1660 AGREED ORDER	<input checked="" type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input checked="" type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Cherokee Shores Water Supply, at the junction of Double Bridge Road and Fargo Road, Henderson County</p> <p>TYPE OF OPERATION: Public water supply</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on November 5, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Yuliya Dunaway, Enforcement Division, Enforcement Team 2, MC R-13, (210) 403-4077; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. David Yohe, Regional Manager Environmental Affairs, Monarch Utilities I L.P., 9511 Ranch Road 620 North, Austin, Texas 78726-2908 Mr. Bill Jasura, Vice President, Monarch Utilities I L.P., 9511 Ranch Road 620 North, Austin, Texas 78726-2908 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:		
VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: May 30, 2007</p> <p>Date of NOV/NOE Relating to this Case: July 12, 2006, January 2, January 30 and May 18, 2007 (NOVs); June 1, 2007 (NOE)</p> <p>Background Facts: This was a routine record review. One violation was documented.</p> <p>WATER</p> <p>Failed to comply with the maximum contaminant level ("MCL") of 0.080 milligrams per liter ("mg/L") for total trihalomethanes ("TTHM"), based on a running annual average [30 TEX. ADMIN. CODE § 290.113(f)(4) and TEX. HEALTH & SAFETY CODE § 341.0315(c)].</p>	<p>Total Assessed: \$740</p> <p>Total Deferred: \$0 <input type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$740</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p> <p>Findings Orders Justification: The Respondent has four prior NOVs for the same violation within the previous five year period.</p>	<p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a. Within 365 days after the effective date of this Agreed Order, return to compliance with the running annual average MCL for TTHM; and</p> <p>b. Within 380 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision a.</p>

Additional ID No(s): PWS ID 1070206



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision May 25, 2007

TCEQ

DATES	Assigned	18-Jun-2007	Screening	25-Jun-2007	EPA Due	1-Nov-2007
	PCW	25-Jun-2007				

RESPONDENT/FACILITY INFORMATION

Respondent	Monarch Utilities I L.P.		
Reg. Ent. Ref. No.	RN101380889		
Facility/Site Region	5-Tyler	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	33960	No. of Violations	1
Docket No.	2007-1017-PWS-E	Order Type	Findings
Media Program(s)	Public Water Supply	Enf. Coordinator	Yuliya Dunaway
Multi-Media		EC's Team	Enforcement Team 2
Admin. Penalty \$	Limit Minimum	\$50	Maximum
			\$1,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)

Subtotal 1 \$500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History

48% Enhancement

Subtotals 2, 3, & 7

 \$240

Notes

The penalty enhancement is due to four prior NOV's for the same or similar violations as those in the current enforcement action, four dissimilar prior NOV's and one agreed final enforcement order containing a denial of liability.

Culpability

No

0% Enhancement

Subtotal 4 \$0

Notes

The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply

0% Reduction

Subtotal 5 \$0

Extraordinary

Before NOV

NOV to EDPRP/Settlement Offer

Ordinary

N/A

X

(mark with x)

Notes

The Respondent does not meet the good faith criteria.

0% Enhancement*

Subtotal 6 \$0

Total EB Amounts
Approx. Cost of Compliance

\$979

\$5,000

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7

Final Subtotal \$740

OTHER FACTORS AS JUSTICE MAY REQUIRE

Adjustment \$0

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes

Final Penalty Amount \$740

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty \$740

DEFERRAL

0%

Reduction

Adjustment \$0

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

No deferral is recommended for Findings Orders.

PAYABLE PENALTY

 \$740

Screening Date 25-Jun-2007

Docket No. 2007-1017-PWS-E

PCW

Respondent Monarch Utilities I L.P.

Policy Revision 2 (September 2002)

Case ID No. 33960

PCW Revision May 25, 2007

Reg. Ent. Reference No. RN101380889

Media [Statute] Public Water Supply

Enf. Coordinator Yuliya Dunaway

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	4	20%
	Other written NOVs	4	8%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 48%

>> Repeat Violator (Subtotal 3)

N/A

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The penalty enhancement is due to four prior NOVs for the same or similar violations as those in the current enforcement action, four dissimilar prior NOVs and one agreed final enforcement order containing a denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 48%

Screening Date 25-Jun-2007		Docket No. 2007-1017-PWS-E		PCW	
Respondent Monarch Utilities I L.P.		<i>Policy Revision 2 (September 2002)</i>			
Case ID No. 33960		<i>PCW Revision May 25, 2007</i>			
Reg. Ent. Reference No. RN101380889					
Media [Statute] Public Water Supply					
Enf. Coordinator Yuliya Dunaway					
Violation Number <input type="text" value="1"/>					
Rule Cite(s)		30 Tex. Admin. Code § 290.113(f)(4) and Tex. Health & Safety Code § 341.0315(c)			
Violation Description		Failed to comply with the maximum contaminant level ("MCL") of 0.080 milligrams per liter ("mg/L") for total trihalomethanes ("TTHM"), based on a running annual average. Specifically, the running average concentration for TTHM was 0.098 mg/L for the second quarter of 2006, 0.112 mg/L for the third quarter of 2006, 0.108 mg/L for the fourth quarter of 2006 and 0.109 mg/L for the first quarter of 2007.			
		Base Penalty		<input type="text" value="\$1,000"/>	

>> Environmental, Property and Human Health Matrix

OR	Harm				
	Release	Major	Moderate	Minor	
	Actual	<input type="text" value=""/>	<input type="text" value="x"/>	<input type="text" value=""/>	
	Potential	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	Percent <input type="text" value="50%"/>

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	Percent <input type="text" value="0%"/>

Matrix Notes

Failure to comply with the MCL for TTHM resulted in the exposure of customers of the water supply to a significant amount of contaminants which did not exceed levels that are protective of human health.

Adjustment

Violation Events

Number of Violation Events <input type="text" value="1"/>	<input type="text" value="365"/>	Number of violation days
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<i>mark only one with an x</i>	daily	<input type="text" value=""/>		Violation Base Penalty <input type="text" value="\$500"/>
	monthly	<input type="text" value=""/>		
	quarterly	<input type="text" value=""/>		
	semiannual	<input type="text" value=""/>		
	annual	<input type="text" value="x"/>		
	single event	<input type="text" value=""/>		

One annual event is recommended.

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$979"/>	Violation Final Penalty Total <input type="text" value="\$740"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$740"/>	

Economic Benefit Worksheet**Respondent** Monarch Utilities I L.P.**Case ID No.** 33960**Reg. Ent. Reference No.** RN101380889**Media** Public Water Supply**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost No commas or \$	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$5,000	17-Apr-2006	1-Feb-2009	2.8	\$47	\$932	\$979
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

The delayed costs include the amount to implement an alternative method of disinfection, calculated from the date when the first exceedance occurred to the estimated date of compliance.

Avoided Costs

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

There are no avoided costs associated with this violation.

Approx. Cost of Compliance

\$5,000

TOTAL

\$979

Compliance History

Customer/Respondent/Owner-Operator:	CN602740706	Monarch Utilities I L.P.	Classification: AVERAGE	Rating: 1.95
Regulated Entity:	RN101380889	CHEROKEE SHORES WATER SUPPLY	Classification:	Site Rating:
ID Number(s):	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1070206	
	WATER LICENSING	LICENSE	1070206	
Location:	AT THE JUNCTION OF DOUBLE BRIDGE RD AND FARGO RD IN HENDERSON COUNTY, TX			
TCEQ Region:	REGION 05 - TYLER			
Date Compliance History Prepared:	June 25, 2007			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	June 25, 2002 to June 25, 2007			

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Yuliya Dunaway Phone: (210) 403-4077

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? Yes
3. If Yes, who is the current owner? Monarch Utilities I L.P.
4. If Yes, who was/were the prior owner(s)? Tecon Water Company, L.P.
5. When did the change(s) in ownership occur? July 30, 2004

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, and consent decrees of the state of Texas and the federal government.
- Effective Date: 05/23/2005 ADMINORDER 2004-1101-PWS-E
- Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter D 290.46(f)(1)
30 TAC Chapter 290, SubChapter D 290.46(f)(2)
- Description: failed to maintain the water system's records in an organized manner
- Classification: Moderate
- Citation: 30 TAC Chapter 290, SubChapter D 290.45(b)(2)(B)
5A THC Chapter 341, SubChapter A 341.0315(c)
- Description: failed to provide a treatment plant capacity of 0.6 gpm per connection (or an applicable alternative capacity requirement) under normal rated design flow
- Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter D 290.46(j)[G]
- Description: failed to obtain CSI certifications completed by a properly credentialed individual prior to providing continuous water service to new construction, on any existing service when the water purveyor has reason to believe that cross-connections or other unacceptable plumbing practices exist, or after any material...
- Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter D 290.42(d)(11)(D)(i)
- Description: failed to equip each filter unit with a manually adjustable rate-of-flow controller with rate-of-flow indication or flow control valves with indicators
- B. Any criminal convictions of the state of Texas and the federal government.
N/A
- C. Chronic excessive emissions events.
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)
- | | | |
|---|------------|----------|
| 1 | 08/06/2003 | (145964) |
| 2 | 06/29/2004 | (270799) |
| 3 | 06/15/2005 | (378864) |
| 4 | 10/31/2005 | (435869) |
| 5 | 11/04/2005 | (436119) |
| 6 | 11/22/2005 | (436542) |
| 7 | 06/16/2006 | (462321) |
| 8 | 06/19/2006 | (463798) |

9 07/12/2006 (562350)
 10 01/02/2007 (562396)
 11 01/30/2007 (562421)
 12 05/18/2007 (562436)
 13 06/13/2007 (562959)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 08/08/2003 (145964)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.44(h)(4)(C)

Description: Failure to maintain the records of tests conducted on backflow prevention assemblies.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.46(f)(1)

30 TAC Chapter 290, SubChapter D 290.46(f)(2)

Description: failed to maintain the water system's records in an organized manner

Date: 06/17/2005 (378864)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.45(f)(1)

Description: Failure to ensure that operating records are accessible for review during periodic inspections by Commission personnel.

Date: 11/16/2005 (436542)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter D 290.45(b)(2)(B)

5A THC Chapter 341, SubChapter A 341.0315(c)

Description: failed to provide a treatment plant capacity of 0.6 gpm per connection (or an applicable alternative capacity requirement) under normal rated design flow

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.42(d)(11)(D)(i)

Description: failed to equip each filter unit with a manually adjustable rate-of-flow controller with rate-of-flow indication or flow control valves with indicators

Self Report? NO Classification: Major

Citation: 2A TWC Chapter 7, SubChapter A 7.101

Rqmt Prov: ORDER Ordering Provisions 2.a. - 2.b.

Description: Failure to comply with the Ordering Provisions of Commission Order 2004-1101-PWS-E.

Date: 06/20/2006 (463798)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)

Description: FY06CCI - Failure to maintain the facilities in good working condition.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(1)(A)

Description: FY06CCI - Failure to annually inspect clearwells.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(1)(B)

Description: FY06CCI - Failure to annually inspect the pressure tank.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(5)

Description: FY06CCI - Failure to control excessive solids in the clarifiers.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.42(d)(6)

Description: FY06CCI - Failure to store incompatible chemicals in separate containment structures.

Date: 07/12/2006 (562350)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)

Description: Violated the maximum contaminant level for Trihalomethanes during the second quarter of 2006.

Date: 01/02/2007 (562396)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)

Description: Violated the maximum contaminant level for Trihalomethanes in the third quarter of 2006.

Date: 01/30/2007 (562421)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)

Description: Violated the maximum contaminant level for Trihalomethanes in the fourth quarter of 2006.

Date: 05/18/2007 (562436)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)

Description: Violated the maximum contaminant level for Trihalomethanes in the first quarter of 2007.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
MONARCH UTILITIES I L.P.
RN101380889

§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2007-1017-PWS-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Monarch Utilities I L.P. ("Monarch Utilities") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and Monarch Utilities presented this agreement to the Commission.

Monarch Utilities understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, Monarch Utilities agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon Monarch Utilities.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. Monarch Utilities owns and operates a public water supply at the junction of Double Bridge Road and Fargo Road, Henderson County, Texas (the "Facility") that has approximately 873 service connections and serves at least 25 people per day for at least 60 days per year.

2. During a record review on May 30, 2007, TCEQ staff documented that Monarch Utilities exceeded the maximum contaminant level ("MCL") of 0.080 milligrams per liter ("mg/L") for total trihalomethanes ("TTHM"), based on a running annual average. Specifically, the running average concentration for TTHM was 0.098 mg/L for the second quarter of 2006, 0.112 mg/L for the third quarter of 2006, 0.108 mg/L for the fourth quarter of 2006 and 0.109 mg/L for the first quarter of 2007.
3. Monarch Utilities received notices of the violation dated July 12, 2006, January 2, 2007, January 30, 2007, May 18, 2007 and June 1, 2007.

II. CONCLUSIONS OF LAW

1. Monarch Utilities is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 341 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 2, Monarch Utilities failed to comply with the MCL of 0.080 mg/L for TTHM, based on a running annual average, in violation of 30 TEX. ADMIN. CODE § 290.113(f)(4) and TEX. HEALTH & SAFETY CODE § 341.0315(c).
3. Pursuant to Tex. HEALTH & SAFETY CODE § 341.049, the Commission has the authority to assess an administrative penalty against Monarch Utilities for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
4. An administrative penalty in the amount of Seven Hundred Forty Dollars (\$740) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. HEALTH & SAFETY CODE § 341.049(b). Monarch Utilities has paid the Seven Hundred Forty Dollar (\$740) administrative penalty.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. Monarch Utilities is assessed an administrative penalty in the amount of Seven Hundred Forty Dollars (\$740) as set forth in Section II, Paragraph 4 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Monarch Utilities' compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Monarch Utilities I L.P., Docket No. 2007-1017-PWS-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. Monarch Utilities shall undertake the following technical requirements:

- a. Within 365 days after the effective date of this Agreed Order, return to compliance with the running annual average MCL for TTHM, in accordance with 30 TEX. ADMIN. CODE § 290.113(f)(4) and TEX. HEALTH & SAFETY CODE § 341.0315(c); and
- b. Within 380 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

DBP Compliance Coordinator
Water Supply Division/PDWS, MC 155
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

3. The provisions of this Agreed Order shall apply to and be binding upon Monarch Utilities. Monarch Utilities is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.

4. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Monarch Utilities shall be made in writing to the Executive Director. Extensions are not effective until Monarch Utilities receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
5. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to Monarch Utilities if the Executive Director determines that Monarch Utilities has not complied with one or more of the terms or conditions in this Agreed Order.
6. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
7. This Agreed Order, issued by the Commission, shall not be admissible against Monarch Utilities in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
9. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John Sadler
For the Executive Director

12/03/2007
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Monarch Utilities I L.P. I am authorized to agree to the attached Agreed Order on behalf of Monarch Utilities I L.P., and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Monarch Utilities I L.P. waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Bill Jasura
Signature

9-6-07
Date

Bill JASURA
Name (Printed or typed)
Authorized Representative of
Monarch Utilities I L.P.

Vice President
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

